



FOR IMMEDIATE RELEASE
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District of Arizona*

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SECOND TUCSON DEFENDANT PLEADS GUILTY TO \$13 MILLION MORTGAGE FRAUD CONSPIRACY

TUCSON -- On January 10, 2007, Carlos Bent, 35, of Tucson, pleaded guilty in federal district court to conspiracy to commit wire fraud and engaging in illegal monetary transactions in connection with a \$13 million mortgage fraud scheme. On August 16, 2006, Bent and Frank Padilla, 36, also of Tucson, were indicted by a federal grand jury with conspiracy, wire fraud and engaging in illegal monetary transactions in amounts greater than \$10,000. Padilla pleaded guilty to the same conspiracy charge on September 28, 2006.

The conspiracy charge to which Bent pleaded guilty alleged that between September 2004 and June 2006, in Tucson and elsewhere in southern Arizona, defendants Bent and Padilla and others, solicited individuals of residential properties which had not been sold despite being on the market for substantial periods of time, and convinced these individuals to engage them and others as sales agents for the properties. The owners were told that the properties were worth more than the listed price, and that a buyer would be found if the owners agreed to a "net listing" of the property wherein Padilla and Bent would retain any sales proceeds above the owner's asking price.

Bent and Padilla found "straw buyers" to be the purported purchasers of the properties and paid the "straw buyers" a substantial fee for their fraudulent participation. Bent, Padilla and others created fraudulent documents, including false employment verifications, bank statements, mortgage loan applications and contractor's licenses in order to qualify the "straw buyers" for 23 mortgage loans from financial institutions totaling over \$13 million in order to purchase 21 residential properties (2 properties were each sold twice). Minimal, if any, mortgage payments were made on the properties, allowing the properties to go into default and foreclosure, or be exposed to that risk. Finally, defendants Padilla and/or Bent negotiated 33 checks from title companies for currency, each check totaling more than \$10,000 and which represented the proceeds of the fraud. The total of the 33 checks negotiated for currency was \$1,325,795.

Bent's sentencing is set for March 26, 2007 before U.S. District Judge Raner C. Collins. Padilla's sentencing is set for February 12, 2007, also before Judge Collins. A conviction for conspiracy carries a maximum penalty of five years imprisonment, a \$250,000 fine or both.

The investigation preceding the indictment was conducted by Federal Bureau of Investigation (FBI) and the Internal Revenue Service's Criminal Investigation Division (IRS-CID). The prosecution is being handled by Danny N. Roetzel, Assistant U.S. Attorney, District of Arizona, Tucson.

CASE NUMBER: CR-06-01431-RCC (HCE)
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